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Noted by DCI.

4 August 1964

14 AUG.

## MEMORANDUM FOR THE DIRECTOR

SUBJECT: NRO

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1. I cannot urge too strongly your going to the mat immediately with Vance and McNamara, and with Bundy and the President as necessary, to get a clear-cut decision of just where we are headed in the NRO. During recent weeks we have stiffened our backbone appreciably (notably by your letter to Vance on FULCRUM and GAMBIT-3 and your memorandum to McMillan on the FY '65 budget). The reply from Vance was totally unsatisfactory and merely restated provisions previously put forward by McMillan and which he knew were unacceptable to us. These provisions violate every principle of the NRO basic agreement as well as every principle of your views as presented to the President's Board on their recent proposals. Why Vance signed it is beyond me except that he (a) might not have understood the problem or the nuances of the letter or (b) is fully witting and this is a clear symptom of the magnitude of the determination of McNamara, Vance, McMillan, and others to put the CIA totally and completely out of the reconnaissance business. McMillan has not yet replied to your memorandum on the '65 budget although Kiefer tells me he is trying to draft up an answer.

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All of these actions pay lip service to the research and development capabilities of the Agency as regards cameras, film track, and concept of payload content and deny totally any competency or even interest of the Agency in building a viable payload in a proper vehicle with re-entry capabilities. In other words, they will let us work on certain elements of a reconnaissance system but the overall system itself, to include booster choice, is one reserved totally

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for the Air Forces. There is a recognized lack of competence in the NRO Staff to pass proper judgment on contractual proposals. The NRO organization is working to exclude the CIA from these activities and, what is most compelling, to exclude the uniformed Air Forces from these activities, especially the Systems Command under General Schriever. To me this is a matter of the most critical national interest and cannot be left for decision by erosion or by arbitrary, bureaucratic obstructionism.

2. On the basis of the most recent correspondence, I would say that the gauntlet has been thrown into the ring and that now is the time for action on your part. You have a built-in competence now in the Agency -- you acquired it painfully over the past two years -- it far exceeds anything else in its field in the U. S. Government -- and it has already thoroughly proven its competence, its imagination, its enthusiasm by the high regard in which it is held by senior scientists in whom we all have confidence -- namely, Dr. Hyland, Dr. Kinzel, Dr. Land, Dr. Morse, and others. I am sure the DOD in the form of McMillan recognizes this and I feel reasonably certain that the tone of the recent letters from DOD is designed to nip this CIA competence now and may in part be generated by fear and their own lack of competence in DOD.

3. I have thought and thought as to how you might answer the Vance letter and I see no solution that will not just continue the degradation in correspondence and in relationships which that letter has generated. I think I speak with reasonable certainty that unless this matter is brought to confrontation within the next several weeks, the presently ascending curve of CIA competence and enthusiasm will deteriorate and you will find yourself with a rapidly dwindling asset. People do not work for CIA because of the salary scale or because of any feeling of Governmental security. It takes total motivation, great dedication, and complete selflessness to perform the types of tasks that CIA people perform -- this is particularly true in the field of scientists and physicists who can obtain two and three times the current CIA salaries while working in industry under much less arduous circumstances and without the major frustrations of Governmental bureaucracy.

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4. I wish I could offer you a clear-cut solution that would be acceptable to everyone. In view, however, of the apparent fact that McNamara and Vance seem to be backing McMillan to the hilt and that McMillan seems totally incapable of objective consideration of CIA participation in the NRO program, there can be no clear-cut solution.

5. Accordingly, I suggest that you have a meeting with Vance, McNamara, and Bundy, inform them chronologically of exactly what has happened in the FULCRUM program with special emphasis on the manner in which McMillan has reneged on prior agreements and has thwarted you on proposals, and then insist upon the immediate provision of NRO funds to the Central Intelligence Agency to go through a complete systems development of FULCRUM along the lines of your letter to Vance, [REDACTED]

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[REDACTED] You should stick to the principles previously enunciated by you as to keeping Director, NRO, fully informed of developments but you should also insist on program direction, supervision, and guidance from the CIA components competent to do the job. You have laid down clear-cut guidelines as to just how the NRO should function and as to just how CIA should participate in this functioning and you have also laid down principles which no one can really argue with -- in fact, any argument against them is contrary to the national interest.

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6. Finally, if you do not get the satisfaction you are entitled to, I would go at once to the Bureau of the Budget and then to your Congressional committees and ask for the release of necessary funds directly to you to conduct certain forms of research and development which are essential to the national interest which you, as the Director of Central Intelligence, must in your judgment institute immediately and in which you have thus far been thwarted by incompetence and bureaucratic fenagling.

[REDACTED] should probably take care of all of the developmental monies we could adequately commit

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during the next 6-8 months. You should also point out that if these prove successful, there will be upcoming requirements for production in considerably greater magnitude.

7. Even more finally, as a joint Chairman of the Board of the National Reconnaissance Program, you have an equal say with the Secretary of Defense on the planning and programming and budgeting of the NRP -- you should therefore not, repeat not, acquiesce to any expenditure of funds from the NRO FY '65 budget for which you are not thoroughly satisfied that it is a national requirement for the collection or exploitation of intelligence and that it is in a proper priority within all of the other forms of overhead reconnaissance for which the NRP is responsible.

8. As much as I have learned in 35 years in the Army not to volunteer, I feel so strongly about this that I will return at any time at your direction, and especially for any confrontation at which you might wish me to be present. This memorandum is in a single copy and carbon and this original is yours. I would urge that you discuss this matter with Bross and Wheelon and determine a course of action. I would also urge that you not, repeat not, any longer attempt to deal with McMillan or Fubini, and I see little future in attempting to negotiate an agreement with Vance. This is the time to be totally hard-nosed and just as objectively arbitrary as you can be to protect the national interest and your responsibilities as the Director of Central Intelligence.

Marshall S. Carter  
Lieutenant General, USA  
Deputy Director

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